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## The Countrywide Vote

*The backroom battle over a subpoena on VIP mortgages*

Senators Chris Dodd and Kent Conrad lawyered up when the Senate ethics committee asked about their VIP loans from Countrywide Financial. But the sweetheart Senators may not be able to stop another look at their dealings with the subprime mortgage factory. A Democrat on the House oversight committee, Illinois freshman Mike Quigley, tells us that he supports a subpoena to obtain documents on the "Friends of Angelo" loan program.

Named for former Countrywide CEO Angelo Mozilo, the program was used to curry influence with government officials. Bank of America, which bought the failed lender last year, has said it's ready to turn over the files as soon as it receives a subpoena.

We're told that, at a closed Thursday meeting of Democrats on the House oversight committee, several Members urged Chairman Edolphus Towns (D., N.Y.) to allow a vote on California Republican Darrell Issa's proposal to issue the subpoena. Mr. Towns received two mortgage loans from the Countrywide unit that processed VIP loans but claims he received no special favors.

How long can Mr. Towns bottle up the subpoena vote? Mr. Quigley is urging Democrats to remember that ethical lapses helped end the GOP majority. "The right thing to do is also the smart thing to do," says Mr. Quigley. "Both parties must decide that they can't protect their members, no matter how powerful they are." Countrywide's efforts to obtain influence were not limited to one party, nor is there any guarantee that only Democrats like Messrs. Dodd and Conrad succumbed to Angelo's charms. As Mr. Quigley says, "Stupidity wears both hats."

Still, Mr. Issa tells us that he has all Republican members of the committee ready to vote for a subpoena. The aim is to find out the extent and impact of Countrywide's efforts to influence federal housing policy. This goes to the heart of the financial crisis. Countrywide was the largest originator of subprime loans and provided billions of dollars of mortgages to Fannie Mae and Freddie Mac, at huge cost to taxpayers.

Mr. Issa has even offered to redact the names of individuals. This would allow the committee to study Countrywide's activities without revealing individual recipients of VIP mortgage terms. Replies Mr. Quigley: "Forget redacting names." He believes the oversight committee should forward to the House ethics committee all the "names on Angelo's list."

To find out what role cut-rate mortgages might have played in encouraging politicians to allow Fan, Fred, Angelo and others to create the mortgage debacle, taxpayers will need four more Democrats to vote for a subpoena. Among potential swing votes, New Hampshire's Paul Hodes doesn't seem eager to have to vote on the issue. "The Congressman will make an independent judgment on this issue when it is brought up before the committee," says his spokesman. No response yet from Virginia Congressman Gerry Connolly, another oversight member.

Mr. Quigley, for his part, favors a broad investigation of "predatory lending." But he should understand that a party-line vote to redirect the inquiry away from evidence of wrongdoing will not instill public confidence. As he told us on Friday, "No one's going to believe you if you do this on a partisan basis." It's good advice for oversight committee Democrats, and a hopeful message for taxpayers.

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